

EXHIBIT 6

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

.....
DONALD KOVAC,

Plaintiff

vs.

Civil Action No.:
2:09-CV-400

PENNSYLVANIA TURNPIKE
COMMISSION, MITCHELL RUBIN,
GEORGE HATALOWICH, MELVIN
SHELTON and MARK ROWE,

Defendants
.....

TERRENCE F. MCVERRY

Deposition of: GEORGE HATALOWICH

Taken by : Plaintiff

Date : May 10, 2010, 10:14 a.m.

Place : 27 South Arlene Street
Harrisburg, Pennsylvania

By : Susan L. Petrilla, Reporter
Notary Public

1 to your understanding?

2 A. No.

3 Q. Is the Turnpike Commission's annual operating
4 budget approved by any particular body?

5 A. It is approved by the Commission, yes.

6 Q. And what is the fiscal year for the Turnpike?

7 A. It is June 1st through May 31st.

8 Q. So if Don Kovac was terminated on November 20th
9 of 2008, which I think the record will show,
10 that was in the midst of a fiscal year. If that
11 was November of 2008, would you call that the
12 fiscal year 2008? How would you describe -- I
13 guess the question could be put, how would you
14 describe the fiscal year that begins on June 1st
15 of '08?

16 A. June 1st of '08 would be the 2008-2009 fiscal
17 year.

18 Q. Simple enough. Is there a rhythm for the
19 preparation and presentation and approval of
20 annual operating budgets for the Turnpike
21 Commission so that those events tend to take
22 place at the same time year after year?

23 A. Yes.

24 Q. Can you describe that for me?

25 A. It's basically the departments each begin to

1 because of fuel prices and probably the
2 beginning of the recession at the time. So we
3 wanted to do all we could to keep costs as low
4 as possible and be as efficient as possible.

5 Q. Did the operating budget that was proposed to
6 the Commission reflect a 10 percent decrease in
7 operating costs?

8 A. I don't recall exactly what the decrease was.

9 Q. Did it reflect a decrease, to your recollection?

10 A. I recall that it probably remained flat. We
11 were looking at the beginning of an increase, so
12 it probably remained flat.

13 Q. So you're saying you avoided an increase that it
14 looked like you were headed for for that fiscal
15 year. Is that a fair summary?

16 A. Yes.

17 Q. I had asked you whether there was an approved
18 operating budget in place for fiscal year '08-09
19 by certain dates that we talked about. I'd like
20 to back up and ask you, do you recall whether a
21 completed proposed budget was presented to the
22 Turnpike Commission prior to June 1st of '08?

23 A. I do recall that we presented a budget, yes.

24 Q. And was that budget substantial -- I'm sorry,
25 strike that. Was that budget the one that was

1 fiscal '08-09 was submitted to the Turnpike
2 Commission?

3 A. I don't recall the exact date, but it would have
4 been after we went through and made all the
5 possible reductions we could have made.

6 Q. So a submission wasn't even made until after Don
7 Kovac had already been let go. Is that the
8 chronology?

9 A. I don't think that there was a formal
10 submission, no. We, again, start with a budget
11 and continue to make reductions in it as we try
12 to reduce the overall. So it's a process, it's
13 not something that just happens one time.

14 Q. In prior years, was it the practice of the
15 Turnpike Commission to have a budget in place
16 for a fiscal year before the first day of the
17 fiscal year?

18 A. That's always the objective, but some years, it
19 just doesn't happen.

20 Q. In your knowledge, how many years has it been in
21 place before day one versus how many years has
22 it not been in place before day one?

23 A. I couldn't tell you exactly how many. I would
24 think the majority of them we had in place
25 before day one, but I'm sure there were others

1 Q. Was there any discussion at that meeting of Don
2 Kovac and his position?

3 A. I don't think we discussed Don Kovac
4 specifically being the only position discussed.
5 I believe we presented all 15 or so positions
6 and made sure the Commission was aware that
7 these were the positions that were being
8 recommended for elimination.

9 Q. Do you know an individual by the name of Melvin
10 Shelton?

11 A. Yes.

12 Q. Is he an employee of the Turnpike Commission?

13 A. Yes, he is.

14 Q. What's his job title?

15 A. I can't recall his exact job title.

16 Q. In general, what does he do for the Turnpike
17 Commission?

18 A. He does some labor negotiations and dealings
19 with the union and the majority of the
20 grievances and arbitrations, labor negotiations
21 with Local 77.

22 Q. Was that true in 2008?

23 A. Yes.

24 Q. To whom does Melvin Shelton report?

25 A. Operationally, he would have reported to

1 Mr. Kovac.

2 Q. To whom does he report now?

3 A. I believe it's to the Eastern Regional Office
4 director. And, now that I think about it, at
5 the time in '08, I don't recall if he
6 organizationally -- on an organizational chart,
7 excuse me, reported to Don or reported to the
8 Eastern Regional Office director, but his duties
9 were to do labor relations.

10 Q. Do you know what Mr. Kovac's salary was at the
11 time of his termination?

12 A. I don't recall exactly, but I believe it was in
13 the \$80,000 range.

14 Q. What about at the same time what Mr. Shelton's
15 salary was?

16 A. I don't recall exactly. Now that I'm thinking
17 about it, maybe Mr. Shelton was in the 80,000
18 and Don was in the \$90,000 range.

19 Q. Were you aware of any conflicts or difficulties
20 between Mr. Shelton and Mr. Kovac?

21 A. From time to time, I do recall some conflicts
22 and difficulties, yes.

23 Q. How did those come to your attention?

24 A. Usually, Mr. Shelton would mention them to me.

25 Q. Did anyone else bring the subject to you other

1 retirements or....

2 Q. So there's been turnover, then, in the union
3 workforce. Has there been any increase in the
4 union workforce?

5 A. No, I don't believe so.

6 Q. Has there been any increase in the nonunion
7 workforce?

8 A. I know we've hired some people again for
9 positions that were vacated for retirements or
10 somebody leaving for whatever reason.

11 Q. What about positions added?

12 A. I do believe there are a few new management
13 positions based on need for whatever the task is
14 that we hired them to do.

15 Q. How many?

16 A. I don't recall an exact number of how many.

17 Q. Can you tell me what any of those new positions
18 are?

19 A. I don't know. I can't recall off the top of my
20 head.

21 Q. In the management workforce, are you aware of
22 whether there have been any raises given to
23 management employees since the fall of 2008?

24 A. I believe there were some equity adjustments for
25 when somebody takes on more responsibility or a

1 department is reorganized to improve efficiency
2 production.

3 Q. Any equity adjustments in any other
4 circumstances than the two that you've just
5 described?

6 A. I don't recall.

7 Q. Now, you used the phrase "equity adjustments."
8 Can you define that for me?

9 A. I believe that's the term that's used when a
10 person is given more job duties than their job
11 description called for, because of either a
12 reorganization or a restructuring for efficiency
13 reasons.

14 Q. Would that be a salary increase exclusively or
15 would there be other factors?

16 A. Some can be a salary increase. If duties are
17 taken away, it could be a salary decrease.

18 Q. Would there be other elements of compensation
19 that are adjusted in an equity adjustment?

20 A. When you say other elements of compensation, I'm
21 not sure what you mean. Other than a salary?

22 Q. Yes. A change in pension formula, a different
23 vehicle, the addition of some other benefit
24 provided by the Turnpike Commission?

25 A. I don't think so.

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1 number and asked them, you know -- and what time
2 he had departed Central Office. So we assumed
3 somebody driving at, you know, 60 or 65 miles an
4 hour would be pretty much at a certain location.
5 And, sure enough, they were able to locate him
6 and stop him and ask him to call his supervisor.

7 Q. You contacted the state police lieutenant and
8 gave her some information. What was your
9 instruction to her?

10 A. To see if we could get the vehicle stopped and
11 explain to Mr. Kovac to call his supervisor.

12 Q. Did you give any instruction as to the manner of
13 trying to get the vehicle stopped?

14 A. No, I left that up to the state police. But I
15 did explain to the lieutenant the situation we
16 were dealing with. That she was aware that we
17 were eliminating these positions and had these
18 exit interviews scheduled, and that he had left
19 before we could have his exit interview.

20 Q. Did she say anything back to you?

21 A. Other than she understood and she's not
22 guaranteeing that they could find him, because
23 we really don't know if he got off the system
24 or -- you know, there was no -- there was no
25 guarantee that we could get him stopped. So she